

# Instructions Regarding Completion of the 2002 Certificate of Compliance of Non-participating Manufacturer and Escrow Payment General Information (2002 Sales)

## **Who is required to file this certificate?**

Any cigarette manufacturer:

- C whose cigarettes are sold to consumers within the state of Pennsylvania (whether directly or through any distributor, retailer, or similar intermediary); and
- C who has not become a participating manufacturer under the tobacco Master Settlement Agreement executed on November 23, 1998.

## **What is the definition of a cigarette manufacturer?**

A cigarette manufacturer is:

- C any entity that manufactures cigarettes anywhere that such manufacturer intends to sell in the United States, including cigarettes that are intended to be sold in the United States through an importer;
- C the first purchaser for resale in the United States of cigarettes manufactured that the actual manufacturer does not intend to be sold in the United States; or
- C a successor of any entity described above.

## **Is anything required in addition to filing this certificate?**

**YES** – If you are required to file a certificate of compliance, you must also establish a qualified escrow account and deposit the prescribed escrow payment into that account. For 2002 sales, the required amount is \$.0153785 per cigarette.

You must also provide a copy of the escrow agreement and a certificate showing that the appropriate amount of funds have been escrowed.

## **What is a qualified escrow account?**

A qualified escrow account is an arrangement with a qualified financial institution which:

- (1) requires the financial institution to hold the escrowed fund's principal for the benefit of Pennsylvania for up to 25 years to satisfy judgments or settlements obtained by Pennsylvania; and
- (2) prohibits you from using, accessing, or directing the use of the fund's principal during such period.

## **What is a qualified financial institution?**

A Federally or state chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least \$1,000,000,000 (one billion).

## **When must I make my escrow payment?**

You must deposit all escrow payments into your qualified escrow account on or before April 15, 2003.

## **When is this certificate due?**

This completed certificate must be mailed to the Office of Attorney General, postmarked no later than April 15, 2003.

## **Where do I send my completed certificate?**

Mail your completed certificate, proof of deposit and escrow agreement (if not supplied previously or if amended since) to:

Tobacco Enforcement Section  
Office of Attorney General  
15<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120  
Attention: Kenneth W. Bateman

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## **Specific Instructions**

### **Section 1: Manufacturer's Identification**

**Lines 1, 2, 3, 4, 5 and 6** - Write your name, address, telephone and fax number and electronic mail address.

### **Section 2: Units Sold**

**Line 7** - Write the number of individual cigarettes sold during 2002 contained in packs bearing Pennsylvania cigarette tax stamps. Individual lines are provided for amounts per brand. Please include the name of the brand and the amount on a separate line where indicated.

### **Section 3: Deposit Amount**

**Lines 8, 9, 10, 11 and 12** - Write the name, address, telephone and fax numbers and contact person of the financial institution where the escrow is held.

**Line 13** - Write your escrow account number and sub-account number, if applicable, in the space provided.

**Line 14** - Multiply the total units sold by the calculation rate (in italics) and write this amount. This should equal the total amount placed in escrow for the benefit of Pennsylvania for 2002 sales.

### **Section 4: Signature**

An authorized agent of the company must sign and date this certificate.